

106TH CONGRESS
1ST SESSION

H. R. 1497

AN ACT

To amend the Small Business Act with respect to
the women's business center program.

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1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Women’s Business
3 Centers Sustainability Act of 1999”.

4 **SEC. 2. PRIVATE NONPROFIT ORGANIZATIONS.**

5 Section 29 of the Small Business Act (15 U.S.C. 656)
6 is amended—

7 (1) in subsection (a)—

8 (A) by redesignating paragraphs (2) and
9 (3) as paragraphs (3) and (4), respectively; and

10 (B) by inserting after paragraph (1) the
11 following:

12 “(2) the term ‘private nonprofit organization’
13 means an entity described in section 501(c) of the
14 Internal Revenue Code of 1986 that is exempt from
15 taxation under section 501(a) of such Code;” and

16 (2) in subsection (b), by inserting “nonprofit”
17 after “private”.

18 **SEC. 3. INCREASED MANAGEMENT OVERSIGHT AND RE-**
19 **VIEW OF WOMEN’S BUSINESS CENTERS.**

20 Section 29 of the Small Business Act (15 U.S.C. 656)
21 is amended—

22 (1) by striking subsection (h) and inserting the
23 following:

24 “(h) PROGRAM EXAMINATION.—

25 “(1) IN GENERAL.—The Administration shall—

1 “(A) develop and implement procedures to
2 annually examine the programs and finances of
3 each women’s business center established pur-
4 suant to this section, pursuant to which each
5 such center shall provide to the
6 Administration—

7 “(i) an itemized cost breakdown of ac-
8 tual expenditures for costs incurred during
9 the preceding year; and

10 “(ii) documentation regarding the
11 amount of matching assistance from non-
12 Federal sources obtained and expended by
13 the center during the preceding year in
14 order to meet the requirements of sub-
15 section (c) and, with respect to any in-kind
16 contributions described in subsection (c)(2)
17 that were used to satisfy the requirements
18 of subsection (c), verification of the exist-
19 ence and valuation of those contributions;
20 and

21 “(B) analyze the results of each such ex-
22 amination and, based on that analysis, make a
23 determination regarding the viability of the pro-
24 grams and finances of each women’s business
25 center.

1 “(2) EXTENSION OF CONTRACTS.—In deter-
2 mining whether to extend or renew a contract with
3 a women’s business center, the Administration—

4 “(A) shall consider the results of the most
5 recent examination of the center under para-
6 graph (1); and

7 “(B) may withhold such extension or re-
8 newal, if the Administration determines that—

9 “(i) the center has failed to provide
10 any information required to be provided
11 under clause (i) or (ii) of paragraph
12 (1)(A), or the information provided by the
13 center is inadequate; or

14 “(ii) the center has failed to provide
15 any information required to be provided by
16 the center for purposes of the report of the
17 Administration under subsection (j), or the
18 information provided by the center is inad-
19 equate.”; and

20 (2) by striking subsection (j) and inserting the
21 following:

22 “(j) MANAGEMENT REPORT.—

23 “(1) IN GENERAL.—The Administration shall
24 prepare and submit to the Committees on Small
25 Business of the House of Representatives and the

1 Senate a report on the effectiveness of all projects
2 conducted under this section.

3 “(2) CONTENTS.—Each report submitted under
4 paragraph (1) shall include information concerning,
5 with respect to each women’s business center estab-
6 lished pursuant to this section—

7 “(A) the number of individuals receiving
8 assistance;

9 “(B) the number of startup business con-
10 cerns formed;

11 “(C) the gross receipts of assisted con-
12 cerns;

13 “(D) the employment increases or de-
14 creases of assisted concerns;

15 “(E) to the maximum extent practicable,
16 increases or decreases in profits of assisted con-
17 cerns;

18 “(F) documentation detailing the most re-
19 cent analysis undertaken under subsection
20 (h)(1)(B) and the determinations made by the
21 Administration with respect to that analysis;
22 and

23 “(G) demographic data regarding the staff
24 of the center.”.

1 **SEC. 4. WOMEN'S BUSINESS CENTER SUSTAINABILITY**
2 **PILOT PROGRAM.**

3 (a) IN GENERAL.—Section 29 of the Small Business
4 Act (15 U.S.C. 656) is amended by adding at the end the
5 following:

6 “(l) SUSTAINABILITY PILOT PROGRAM.—

7 “(1) IN GENERAL.—There is established a 4-
8 year pilot program under which the Administration
9 is authorized to make grants (referred to in this sec-
10 tion as ‘sustainability grants’) on a competitive basis
11 for an additional 5-year project under this section to
12 any private nonprofit organization (or a division
13 thereof)—

14 “(A) that has received financial assistance
15 under this section pursuant to a grant, con-
16 tract, or cooperative agreement; and

17 “(B) that—

18 “(i) is in the final year of a 5-year
19 project; or

20 “(ii) to the extent that amounts are
21 available for such purpose under sub-
22 section (k)(4)(B), has completed a project
23 financed under this section (or any prede-
24 cessor to this section) and continues to
25 provide assistance to women entrepreneurs.

1 “(2) CONDITIONS FOR PARTICIPATION.—In
2 order to receive a sustainability grant, an organiza-
3 tion described in paragraph (1) shall submit to the
4 Administration an application, which shall include—

5 “(A) a certification that the applicant—

6 “(i) is a private nonprofit organiza-
7 tion;

8 “(ii) employs a full-time executive di-
9 rector or program manager to manage the
10 women’s business center for which a grant
11 is sought; and

12 “(iii) as a condition of receiving a sus-
13 tainability grant, agrees—

14 “(I) to an annual examination by
15 the Administration of the center’s
16 programs and finances; and

17 “(II) to the maximum extent
18 practicable, to remedy any problems
19 identified pursuant to that examina-
20 tion;

21 “(B) information demonstrating that the
22 applicant has the ability and resources to meet
23 the needs of the market to be served by the
24 women’s business center site for which a sus-

1 tainability grant is sought, including the ability
2 to raise financial resources;

3 “(C) information relating to assistance
4 provided by the women’s business center site
5 for which a sustainability grant is sought in the
6 area in which the site is located, including—

7 “(i) the number of individuals as-
8 sisted;

9 “(ii) the number of hours of coun-
10 seling, training, and workshops provided;
11 and

12 “(iii) the number of startup business
13 concerns formed;

14 “(D) information demonstrating the effec-
15 tive experience of the applicant in—

16 “(i) conducting financial, manage-
17 ment, and marketing assistance programs,
18 as described in paragraphs (1), (2), and
19 (3) of subsection (b), designed to impart or
20 upgrade the business skills of women busi-
21 ness owners or potential owners;

22 “(ii) providing training and services to
23 a representative number of women who are
24 both socially and economically disadvan-
25 taged;

1 “(iii) using resource partners of the
2 Administration and other entities, such as
3 universities;

4 “(iv) complying with the cooperative
5 agreement of the applicant; and

6 “(v) prudently managing finances and
7 staffing, including the manner in which the
8 performance of the applicant compared to
9 the business plan of the applicant and the
10 manner in which grants made under sub-
11 section (b) were used by the applicant; and

12 “(E) a 5-year plan that demonstrates the
13 ability of the women’s business center site for
14 which a sustainability grant is sought—

15 “(i) to serve women business owners
16 or potential owners in the future by im-
17 proving fundraising and training activities;
18 and

19 “(ii) to provide training and services
20 to a representative number of women who
21 are both socially and economically dis-
22 advantaged.

23 “(3) REVIEW OF APPLICATIONS.—

24 “(A) IN GENERAL.—The Administration
25 shall—

1 “(i) review each application submitted
2 under paragraph (2) based on the informa-
3 tion provided under subparagraphs (D)
4 and (E) of that paragraph, and the criteria
5 set forth in subsection (f); and

6 “(ii) approve or disapprove applica-
7 tions for sustainability grants simulta-
8 neously with applications for grants under
9 subsection (b).

10 “(B) DATA COLLECTION.—Consistent with
11 the annual report to Congress under subsection
12 (j), each women’s business center site that re-
13 ceives a sustainability grant shall, to the max-
14 imum extent practicable, collect the information
15 relating to—

16 “(i) the number of individuals as-
17 sisted;

18 “(ii) the number of hours of coun-
19 seling and training provided and work-
20 shops conducted;

21 “(iii) the number of startup business
22 concerns formed;

23 “(iv) any available gross receipts of
24 assisted concerns; and

1 “(v) the number of jobs created,
2 maintained, or lost at assisted concerns.

3 “(C) RECORD RETENTION.—The Adminis-
4 tration shall maintain a copy of each applica-
5 tion submitted under this subsection for not
6 less than 10 years.

7 “(4) NON-FEDERAL CONTRIBUTION.—

8 “(A) IN GENERAL.—Notwithstanding any
9 other provision of this section, as a condition of
10 receiving a sustainability grant, an organization
11 described in paragraph (1) shall agree to ob-
12 tain, after its application has been approved
13 under paragraph (3) and notice of award has
14 been issued, cash and in-kind contributions
15 from non-Federal sources for each year of addi-
16 tional program participation in an amount
17 equal to 1 non-Federal dollar for each Federal
18 dollar.

19 “(B) IN-KIND CONTRIBUTIONS.—Not more
20 than 50 percent of the non-Federal assistance
21 obtained for purposes of subparagraph (A) may
22 be in the form of in-kind contributions that
23 exist only as budget line items, including such
24 contributions of office equipment and office
25 space.

1 “(5) TIMING OF REQUESTS FOR PROPOSALS.—
2 In carrying out this subsection, the Administration
3 shall issue requests for proposals for women’s busi-
4 ness centers applying for the pilot program under
5 this subsection simultaneously with requests for pro-
6 posals for grants under subsection (b).”.

7 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
8 29(k) of the Small Business Act (15 U.S.C. 656(k)) is
9 amended—

10 (1) by striking paragraph (1) and inserting the
11 following:

12 “(1) IN GENERAL.—There is authorized to be
13 appropriated, to remain available until the expiration
14 of the pilot program under subsection (1)—

15 “(A) \$12,000,000 for fiscal year 2000;

16 “(B) \$12,800,000 for fiscal year 2001;

17 “(C) \$13,700,000 for fiscal year 2002; and

18 “(D) \$14,500,000 for fiscal year 2003.”;

19 (2) in paragraph (2)—

20 (A) by striking “Amounts made” and in-
21 serting the following:

22 “(A) IN GENERAL.—Except as provided in
23 subparagraph (B), amounts made”; and

24 (B) by adding at the end the following:

1 “(B) EXCEPTION.—Of the total amount
2 made available under this subsection for a fiscal
3 year, the following amounts shall be available
4 for costs incurred in connection with the selec-
5 tion of applicants for assistance under this sub-
6 section and with monitoring and oversight of
7 the program authorized under this subsection:

8 “(i) For fiscal year 2000, 2 percent of
9 such total amount.

10 “(ii) For fiscal year 2001, 1.9 percent
11 of such total amount.

12 “(iii) For fiscal year 2002, 1.9 per-
13 cent of such total amount.

14 “(iv) For fiscal year 2003, 1.6 percent
15 of such total amount.”; and

16 (3) by adding at the end the following:

17 “(4) RESERVATION OF FUNDS FOR SUSTAIN-
18 ABILITY PILOT PROGRAM.—

19 “(A) IN GENERAL.—Of the total amount
20 made available under this subsection for a fiscal
21 year, the following amounts shall be reserved
22 for sustainability grants under subsection (l):

23 “(i) For fiscal year 2000, 17 percent
24 of such total amount.

1 “(ii) For fiscal year 2001, 18.8 per-
2 cent of such total amount.

3 “(iii) For fiscal year 2002, 30.2 per-
4 cent of such total amount.

5 “(iv) For fiscal year 2003, 30.2 per-
6 cent of such total amount.

7 “(B) USE OF UNAWARDED RESERVE
8 FUNDS.—

9 “(i) SUSTAINABILITY GRANTS TO
10 OTHER CENTERS.—Of amounts reserved
11 under subparagraph (A), the Administra-
12 tion shall use any funds that remain avail-
13 able after making grants in accordance
14 with subsection (l) to make grants under
15 such subsection to women’s business center
16 sites that have completed a project fi-
17 nanced under this section (or any prede-
18 cessor to this section) and that continue to
19 provide assistance to women entrepreneurs.

20 “(ii) ADDITIONAL GRANTS.—The Ad-
21 ministration shall use any funds described
22 in clause (i) that remain available after
23 making grants under such clause to make
24 grants to additional women’s business cen-
25 ter sites, or to increase the grants to exist-

1 ing women’s business center sites, under
2 subsection (b).”.

3 (c) GUIDELINES.—Not later than 30 days after the
4 date of the enactment of this Act, the Administrator of
5 the Small Business Administration shall issue guidelines
6 to implement the amendments made by this section.

7 **SEC. 5. EFFECTIVE DATE.**

8 This Act and the amendments made by this Act shall
9 take effect on October 1, 1999.

 Passed the House of Representatives October 19,
1999.

Attest:

Clerk.